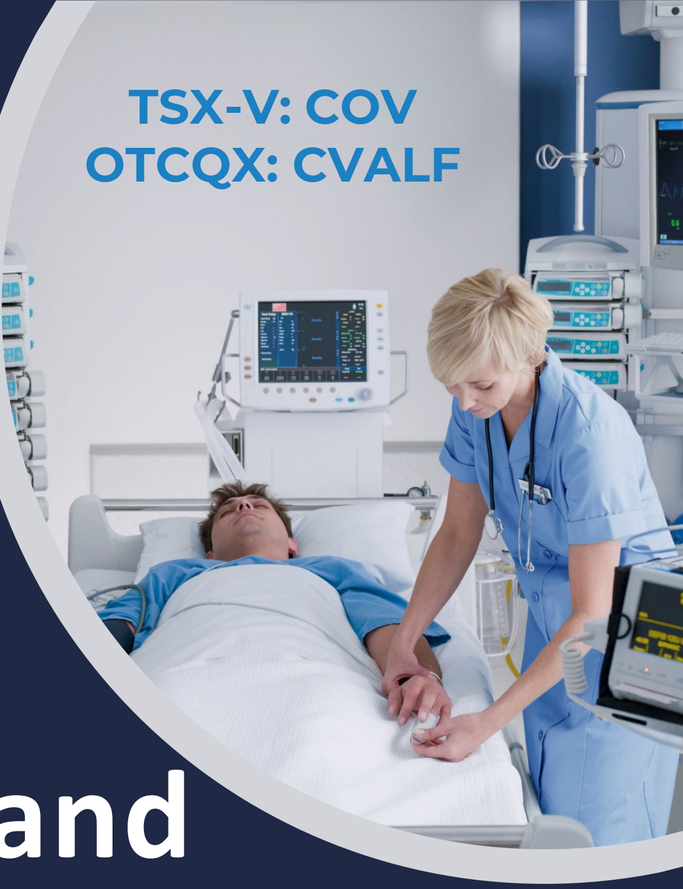

TSX-V: COV
OTCQX: CVALF

Q1 2023 Earnings and Business Update

Brian Pedlar CEO

Jason Gorel Interim CFO

February 23, 2023

covalon.com

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Forward-Looking Statements and Non-GAAP Financial Information

Certain statements included in this presentation may be considered forward-looking statements. These forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “estimate”, “expect”, “intend” and statements that an event or result “may”, “will”, “should”, “could”, or “might” occur or be achieved and other similar expressions. More specifically, this presentation contains forward-looking statements which include, but are not limited to statements regarding: the Company’s corporate strategy and strategic objectives; the availability of external financing to fund the Company’s ongoing liabilities and commitments; the direct and indirect impact of the COVID-19 pandemic on the Company’s business and operations, including supply chain, manufacturing, research and development costs, contracted service providers and employees, and general business and economic events. These forward-looking statements involve risk and uncertainties, including the impact on the Company given its current liquidity situation, the difficulty in predicting product approvals, acceptance of and demands for new products, the impact of the products and pricing strategies of competitors, delays in developing and launching new products, the regulatory environment, fluctuations in operating results, and other risks, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Such forward-looking statements should not be taken as guarantees of future performance of Covalon.

All forward-looking statements are based on Covalon’s current beliefs as well as assumptions made by and information currently available to Covalon and relate to, among other things, anticipated financial performance, business prospects, partnership opportunities, strategies, regulatory developments, market acceptance and future commitments. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation.

Due to risks and uncertainties, including the risks and uncertainties identified by Covalon in its public securities filings, actual events may differ materially from current expectations. Covalon disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Certain financial measures in this presentation – namely earnings before interest, depreciation and amortization (“EBITDA”), adjusted EBITDA, pro-forma EBITDA, free cash flow and enterprise value – are non-IFRS financial measures. While Covalon and certain of its competitors measure and evaluate the performance of their respective consolidated operations and business segments with reference to these and similar measures, non-IFRS measures do not have any standardized or prescribed meaning under IFRS or otherwise and therefore are unlikely to be comparable to similar measures presented by other companies. These non-IFRS measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS. All non-IFRS measures are included because management monitors and uses the information on a regular basis to analyze the performance of the business and therefore may be considered useful information.

For further information about the risks and uncertainties relating to forward-looking statements included in this Memorandum, the recipient should consult the “Risks and Uncertainties” section of Covalon’s annual MD&A dated January 25, 2023, as well as those contained in Covalon’s interim MD&As and other public record filings on SEDAR.

All figures are in Canadian dollars, unless otherwise noted, and Covalon’s fiscal year end is September 30th.

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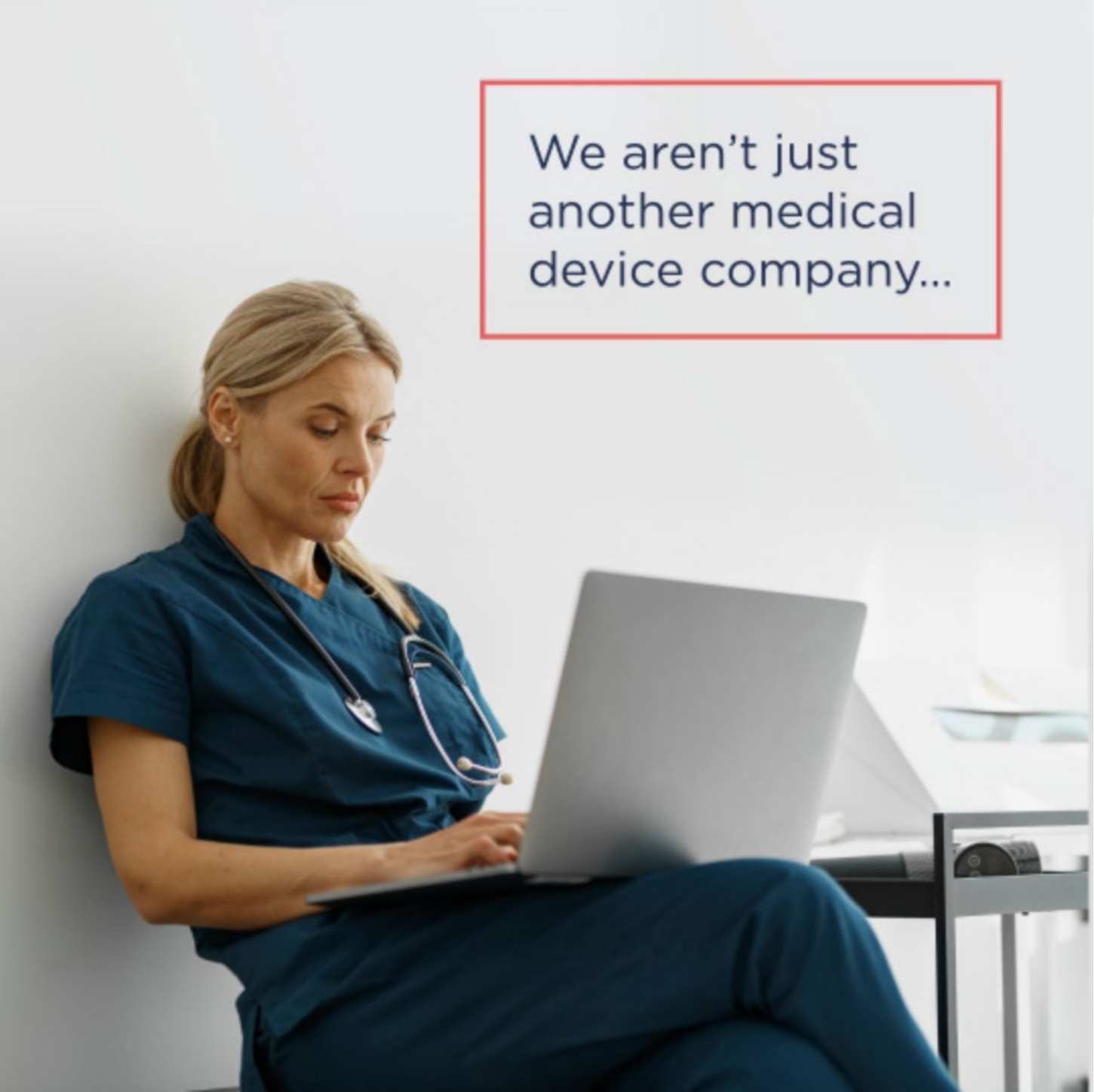

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OTCQX: CVALF

Covalon is a patient-driven medical device company, built on the relentless pursuit to help the most vulnerable patients have a better chance at healing.

Through a strong portfolio of patented technologies and solutions for advanced wound care, infection prevention and medical device coatings, we offer innovative, gentler and more compassionate options for patients to heal with less infections, less pain and better outcomes.

Our solutions are designed for patients and made for care providers.

Our Patented FDA Cleared Product Solutions Focus On

Infection Prevention

- Vascular Access Blood Stream Infections (“BSIs”)
- Surgical Site Infections (“SSIs”)
- Medical Device-related Infections

Advanced Wound Healing

- Diabetic chronic wounds
- Surgical wounds
- Traumatic non-healing wounds
- Serious burns

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Covalon is focused on becoming

a leading provider of

compassionate care solutions that

help patients heal faster and live better.

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Covalon's products are utilized around the world

Direct Sales

> 70
Major Hospitals
(> 300 Beds)

6 of 10
Top 10 Children's Hospitals

IV Clear™ SurgiClear® VALGuard™

Strong Clinical Evidence

Long-term Care & Home Healthcare Distribution Partners

smith&nephew McKESSON MEDLINE DermaRite HARTMANN Byram Healthcare Owens & Minor

International Distributors

20
Countries

~20
Distributors

JamJoom Business Group HARTMANN PANAFARMA Promedon People + Innovation

2023 Revenue Breakdown

63%
United States

37%
International

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For the period ended December 31, 2022

First Quarter 2023 Financial Results – Key Highlights

- Revenue was $6.2 million for the quarter, compared to $4.9 million in the prior year
- Gross margin was $3.7 million or 60%, an improvement over last year's $2.3 million or 46%
- Covalon ended the period with $14 million of cash or $0.56 per share on the balance sheet
- First quarter net loss of $0.4 million or $0.02 per share and Adjusted EBITDA profit of $0.1 million

Revenue 3 Months

$6.2M ↑ +25%

Gross Margin

60% ↑ +133pts

Cash

$14M ($0.56 per share)

Net loss

$0.4M ↓ -75%

Diluted EPS

($0.02) per share

Results are for the three months ended December 31, 2022 and 2021.

Continuing operations includes revenue from our core business of collagen, medical coatings, and antimicrobial silicone adhesive dressings, which continues to experience growth in the United States and internationally.

Discontinued operations are comprised of AquaGuard operations for the periods.

Balance Sheet Consistent with Significant Cash and No Debt

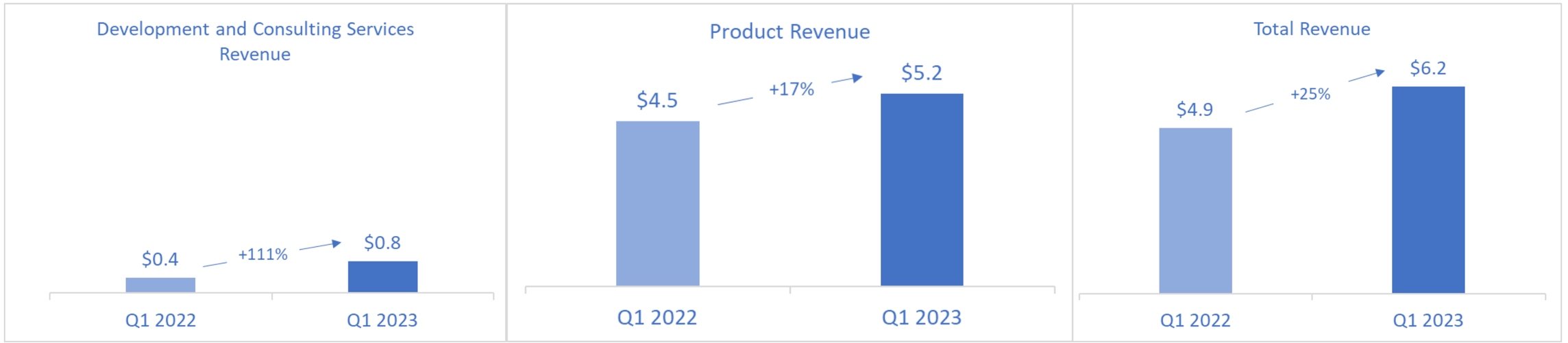
	Sept. 30, 2022	Dec. 31, 2022
Cash	$14.1M	$14.1M
Current Assets	$27.2M	$26.7M
Total Assets	$30.4M	$30.0M
Debt	$----	$----
Current Liabilities	($4.5M)	($5.1M)
Total Liabilities	($6.1M)	($6.5M)

Key Takeaways

- We ended both Q1 2023 and fiscal 2022 with $14M cash on the balance sheet
- Current assets consists of cash, accounts receivable, inventories and prepaid expenses
- Current liabilities consist of trade payables, accruals, current lease liabilities and deferred revenue
- No debt, strong working capital position

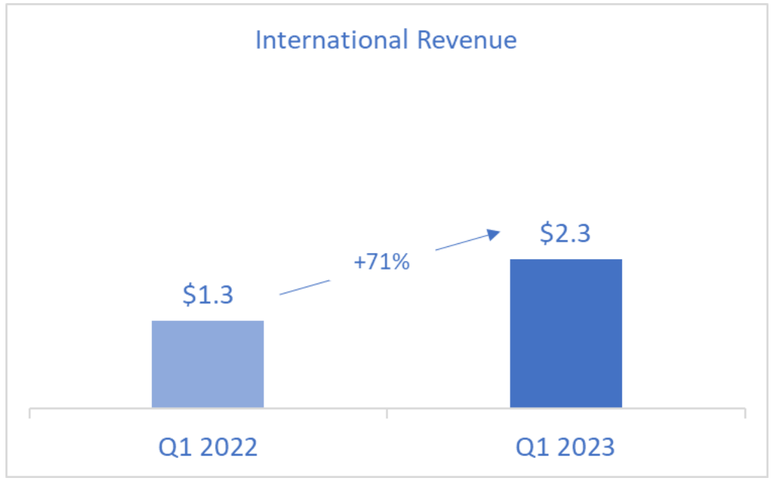
Q1 2023 Revenue

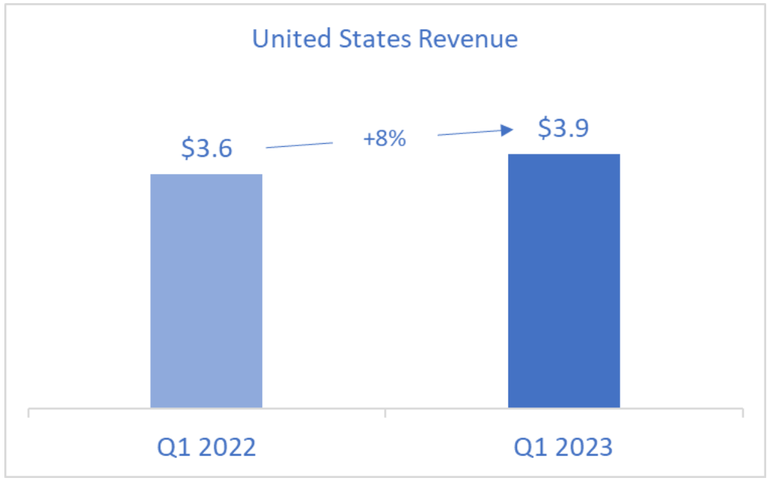
- Product revenue increased 17% to $5.2 million, compared to $4.5 million for the same period in the prior year.
- Development and consulting services revenue for Q3 2022 increased by 111% to $0.8 million, compared to $0.4 million for the same period of the prior year.
- Revenue from development and consulting services varies based on opportunities and the length of the sales cycle for given projects.
- The timing of this revenue will vary depending on length and timing of projects and discussions with customers.



Q1 2023 Revenue by Geography

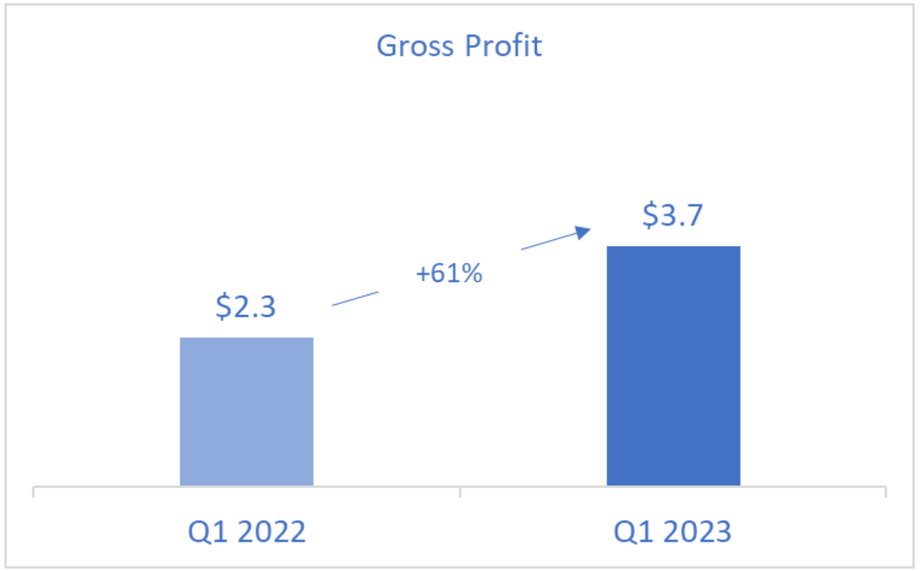
- United States accounts for 63% of revenue
- Q1 Revenue in the United States increased by 8% to $3.9 million, primarily as a result of increased sales to hospitals and development services.
- International revenue was up 71% to $2.3 million. Revenue increased in Latin America and the Middle East as a result of deliveries under competitive contracts awarded to the Company.
- Revenue growth in the United States continues to be a focus for the Company in both our direct sales to hospitals and through our distributor partners into long-term and home health care settings





Q1 2023 Gross Profit and Adjusted Gross Margin(1)

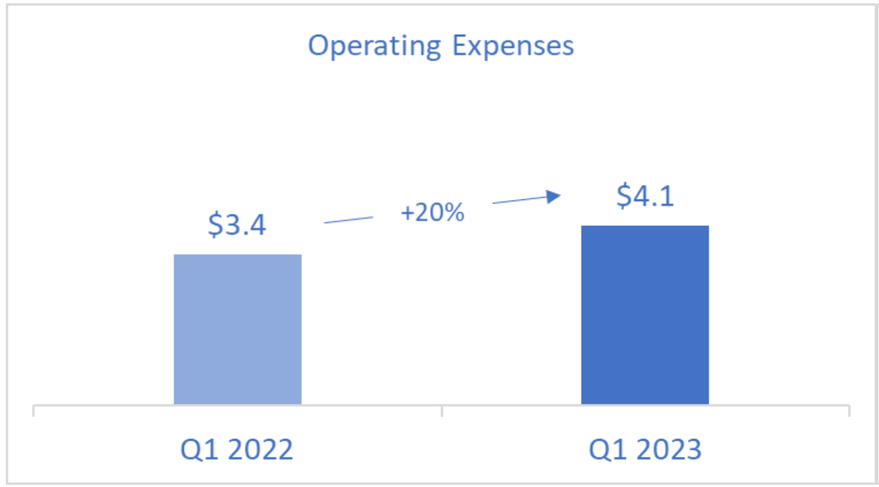
- Gross margin for the period ended December 31, 2022, was 60% compared to 46% for the same period of the prior year.
- The gross margin is significantly influenced by source of revenue, recording of inventory provisions and by the relative mix of products sold in any given financial period.
- Adjusted gross margin(1), which excludes inventory provisions and depreciation, was 61% for Q1 fiscal 2023, in line with last year's 62% adjusted gross margin.

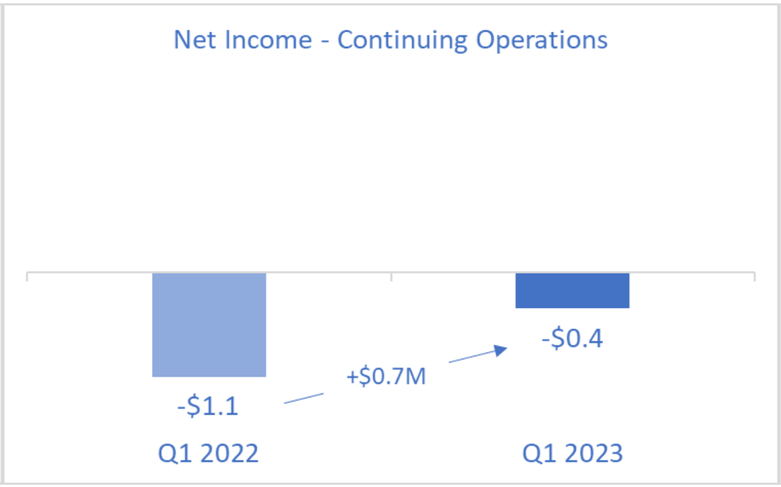


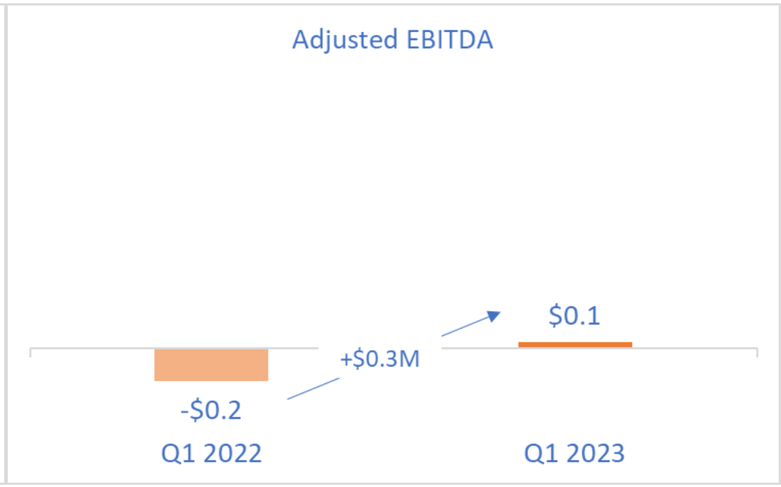
(1) See "Non-IFRS Measures" in the MD&A, including for a reconciliation of the non-IFRS measures used in this presentation to the most comparable IFRS measures

Q1 2022 Operating Expenses and Net Income

- Operational expenses increased 20% to $4.1 million compared to $3.4 million for the prior year, due mostly to increased headcount in sales and marketing as the Company continues to invest in growing its direct sales and marketing team in the United States
- Net loss from continuing operations was $0.4 million compared to a net loss of $1.1 million last year
- Adjusted EBITDA was $0.1 million compared to a loss of $0.2 million last year







Fiscal 2023: Strong Path to Financial Growth

- **Investing in Sales and Marketing initiatives to drive aggressive growth in our US Hospital Market**
  - Currently have 70 major hospital customers (> 300 beds)
  - 3 strong infection prevention products
- **6 of the Top 10 Pediatric Hospitals in the US use Covalon products to protect their patients from infection**
  - Our products are currently used in about 20% of the pediatric hospitals in the US (42 pediatric facilities)
- **International and US Wound Care business expected to achieve 25% CAGR in Revenue 2022 through the end of 2025**

2025 Targets:

400
Major Hospitals

#1
Market Share in Pediatric Hospitals

#1 or #2
Market Share in Collagen

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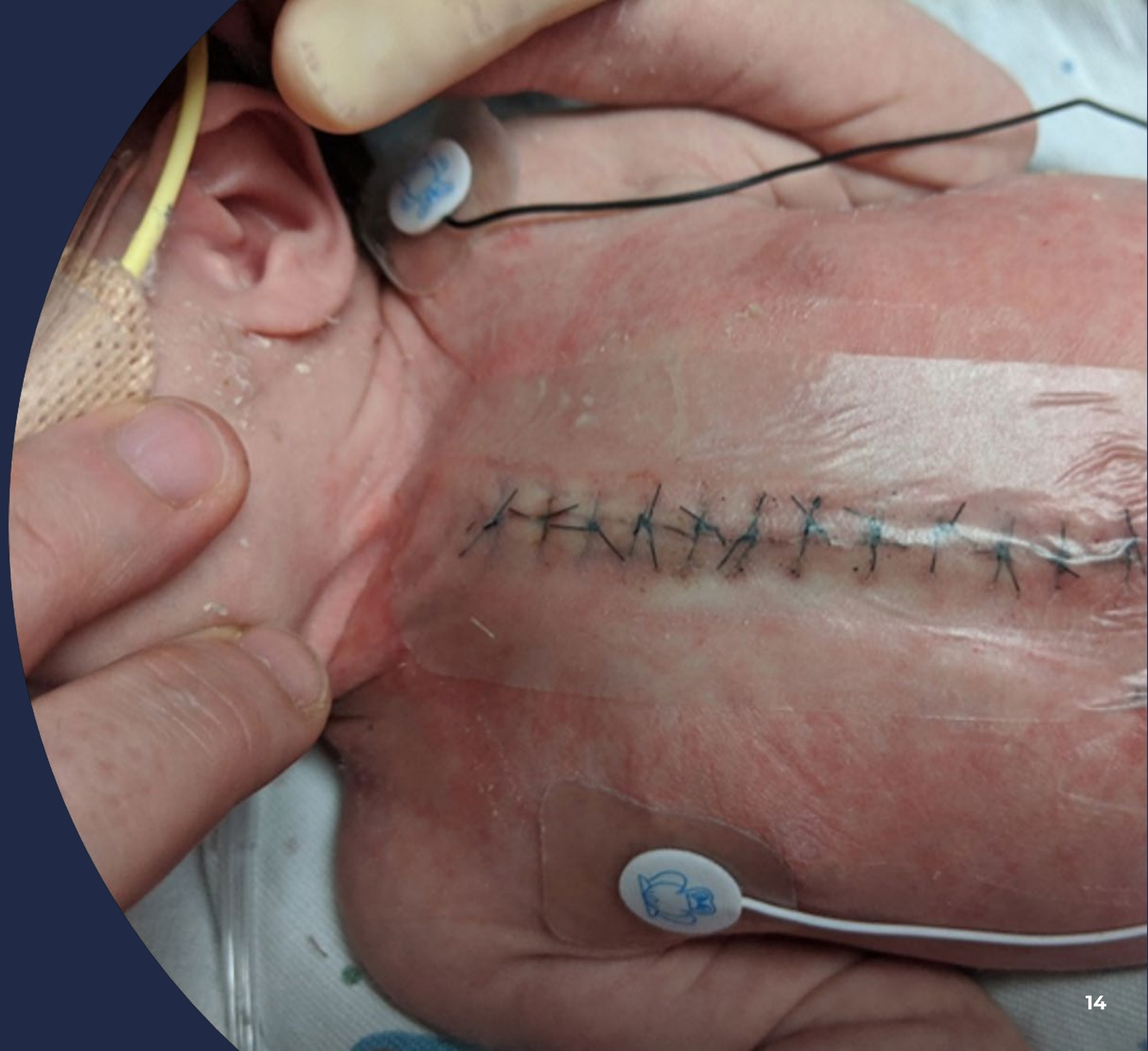
Our Mission

Provide innovative and cost-effective healthcare solutions that **reduce pain, prevent infection, and promote healing**.



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Covalon Has a Strong Growth Platform

Financially Strong Core Business

- Significant cash; no debt
- Above-market revenue growth potential with our strong distribution channels
- Strong management team focused on growth

Innovative Product Solutions backed by Strong IP

- Solid clinical evidence backing patented product solutions
- Better, safer products that solve serious clinical issues
- Better antimicrobial technology and biological collagen platform technology

Massive Growth Potential

- $8.9 billion infections and chronic wounds market growing at alarming rates
- Leading influential KOL facilities becoming champions
- Solid distribution channels in United States, Middle East and LATAM

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